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ROMAN CORPORATION LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED JUNE 30, 1969

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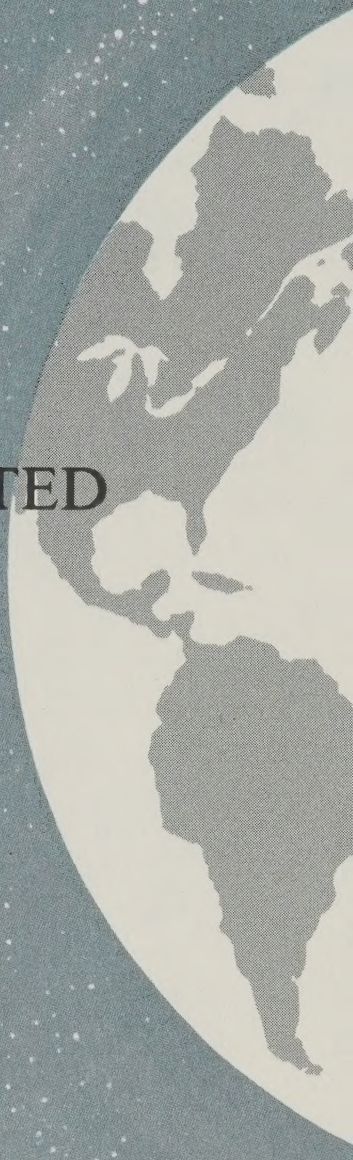
The Officers
and Directors of
ROMAN CORPORATION LIMITED
are pleased
to present the
FIFTH ANNUAL REPORT
to the shareholders
for the year ended
June 30th.,
1969



Stepping into the hitherto impenetrable reaches of outer space, man has once again demonstrated the indomitable qualities of spirit that have always sustained him in meeting the challenges of a new and changing environment.

Impelled by a driving need to know the unknown, man must push out and explore new and beckoning horizons.

Armed with courage, resolute in determination, man has placed his questing footsteps on the pathways to the stars.

R C
ROMAN CORPORATION LIMITED

OFFICERS

STEPHEN B. ROMAN, LL.D.
Chairman and President
JOHN S. GRANT, Q.C., *Vice-President*
JOHN C. PUHKY, *Secretary & Treasurer*

DIRECTORS

JOHN KOSTUIK, B.Sc.
HARVEY J. MCFARLAND, SR.
LEWIS B. HARDER
JOHN S. GRANT, Q.C.
LIONEL R. MONTPETIT
STEPHEN B. ROMAN, LL.D.
ARTHUR F. MAYNE
R. A. RULE
BEN REGAN
JOSEPH A. PATRICK
A. HOADLEY MITCHELL, S.B.

AUDITORS

EDDIS & ASSOCIATES
Toronto, Ontario

BANKERS

THE ROYAL BANK OF CANADA
Toronto, Ontario

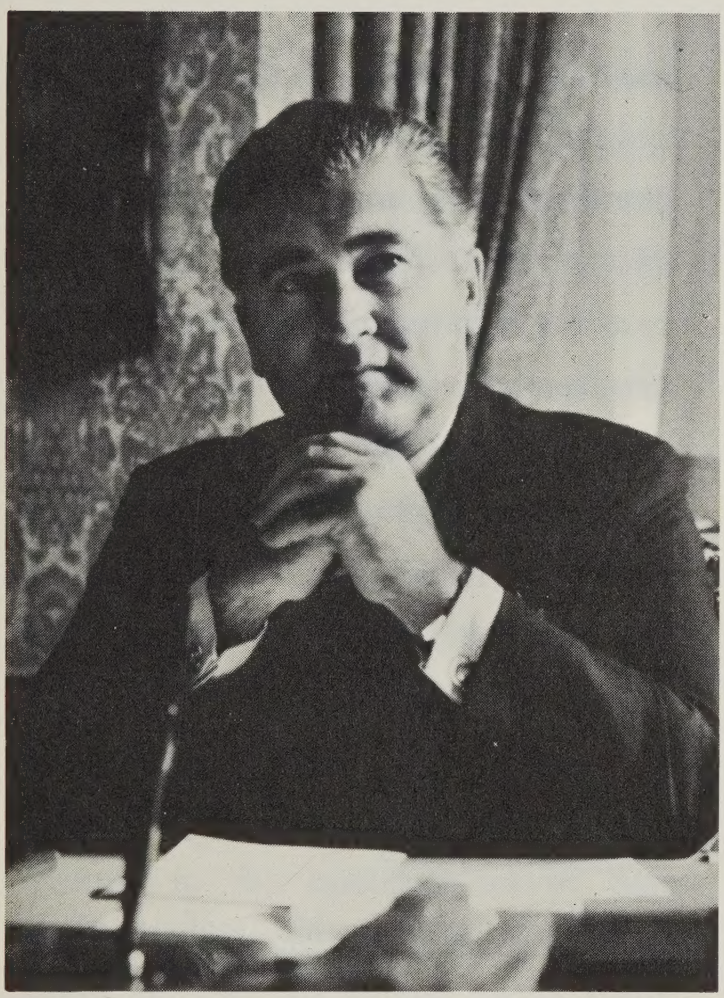
REGISTRAR AND TRANSFER AGENT

GUARANTY TRUST COMPANY OF CANADA
Toronto, Ontario

HEAD OFFICE

4 KING STREET WEST
TORONTO 1, ONTARIO

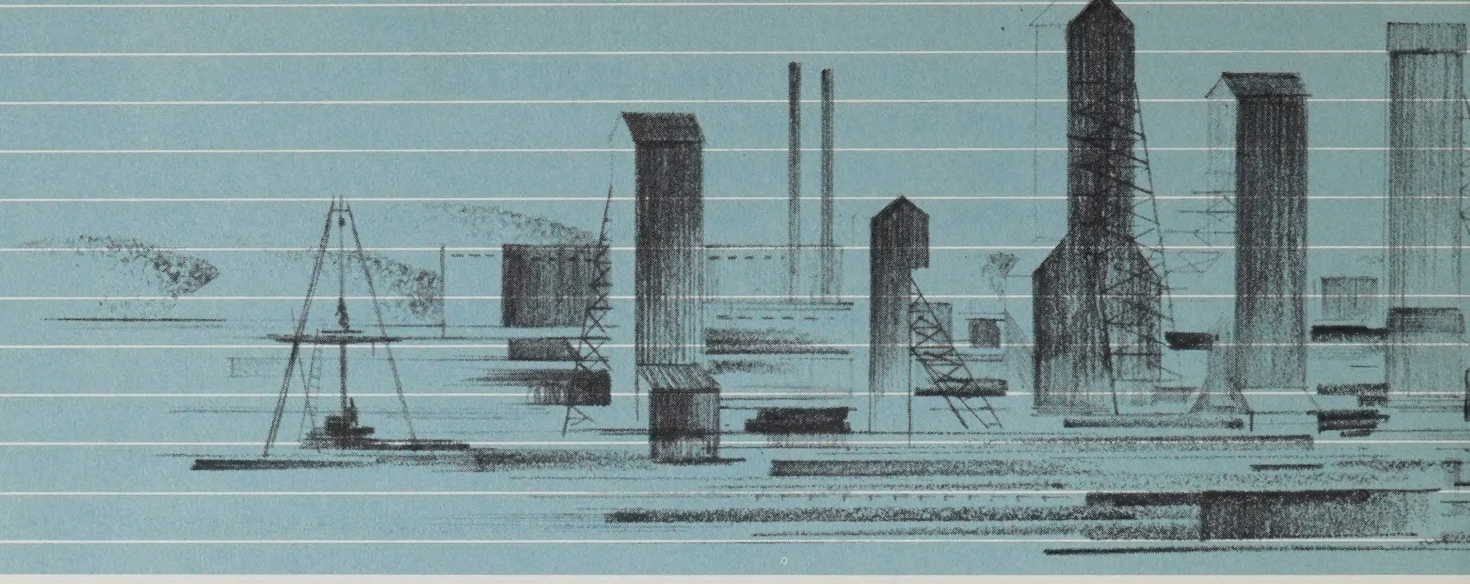
President's Report TO THE SHAREHOLDERS:



On behalf of the directors, it is my pleasure to report to our shareholders and to review the activities of the Company for the past year.

The financial statements for the year ended June 30, 1969, are enclosed in which the net earnings for the year, after adjustment of income taxes, amount to $211,000 compared to $1,140,000 for the preceding year. You will note that revenue from dividends and service and rent are consistent with last year, the decrease in earnings being accounted for by losses reported on security transactions, which result mainly from valuing at the market price the securities held at June 30, 1969.

During the year the Company became increasingly involved in mineral exploration throughout Canada. This is in keeping with the previously stated policies of the board and the objectives of management. Currently joint ventures are under way in Manitoba, Saskatchewan, Northern Quebec and the Northwest Territories.

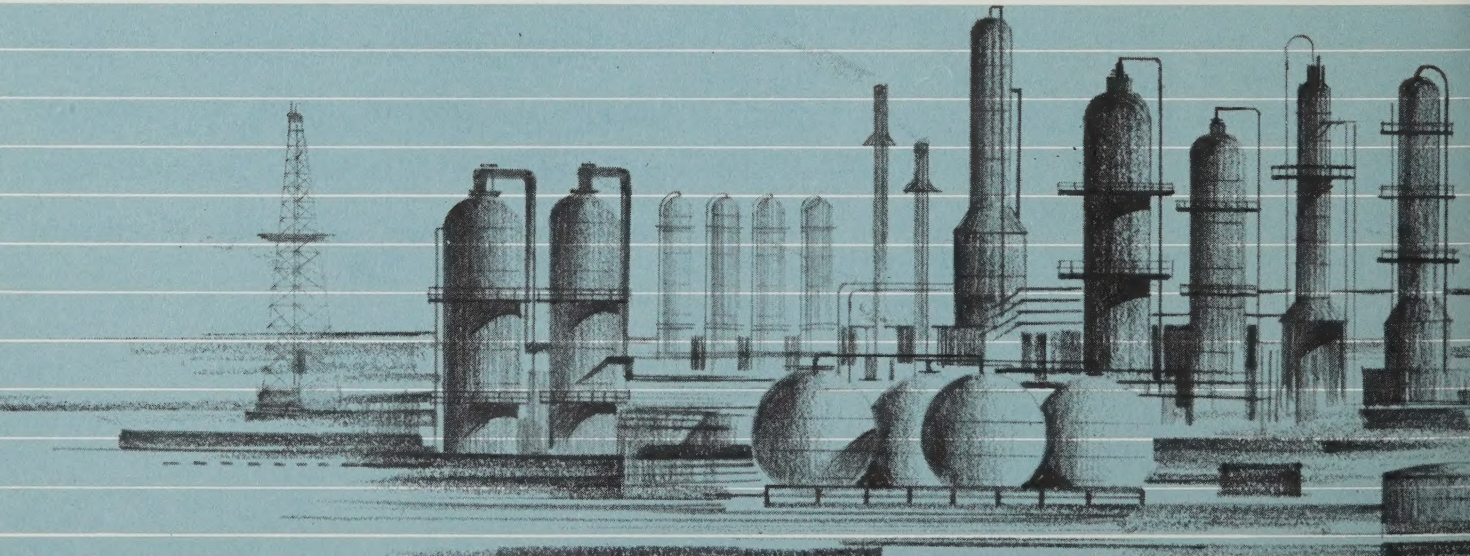


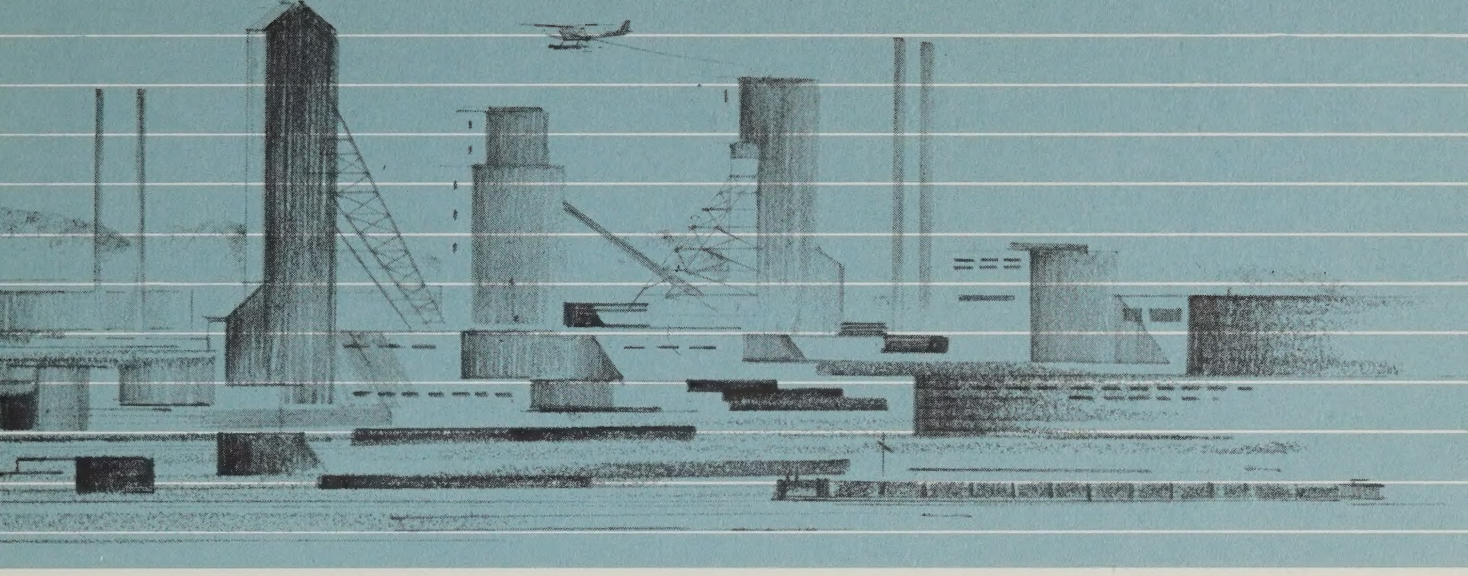
SAM Project

A large part of the Company's exploration activity is centred in north-eastern Saskatchewan and the adjacent area of Manitoba. As reported last year, the Company and its associated permit holders, Denison Mines and Goldray Mines, entered into an agreement with Atlantic Richfield Company and International Mining to undertake a major exploration programme over some 1,600,000 acres in north-eastern Saskatchewan and neighbouring Manitoba. This has been designated the "SAM Project". A number of anomalous areas were identified by the work carried out by the parties last year and an extensive follow-up ground exploration programme has been in progress this season. The diamond drilling of base metal targets in Saskatchewan has been temporarily discontinued until additional detailed airborne surveys over the Saskatchewan ground have been completed. It is expected that drilling will resume after freeze-up.

Pinehouse Project

In participation with Denison Mines, Black Hawk Mining and Goldray Mines,

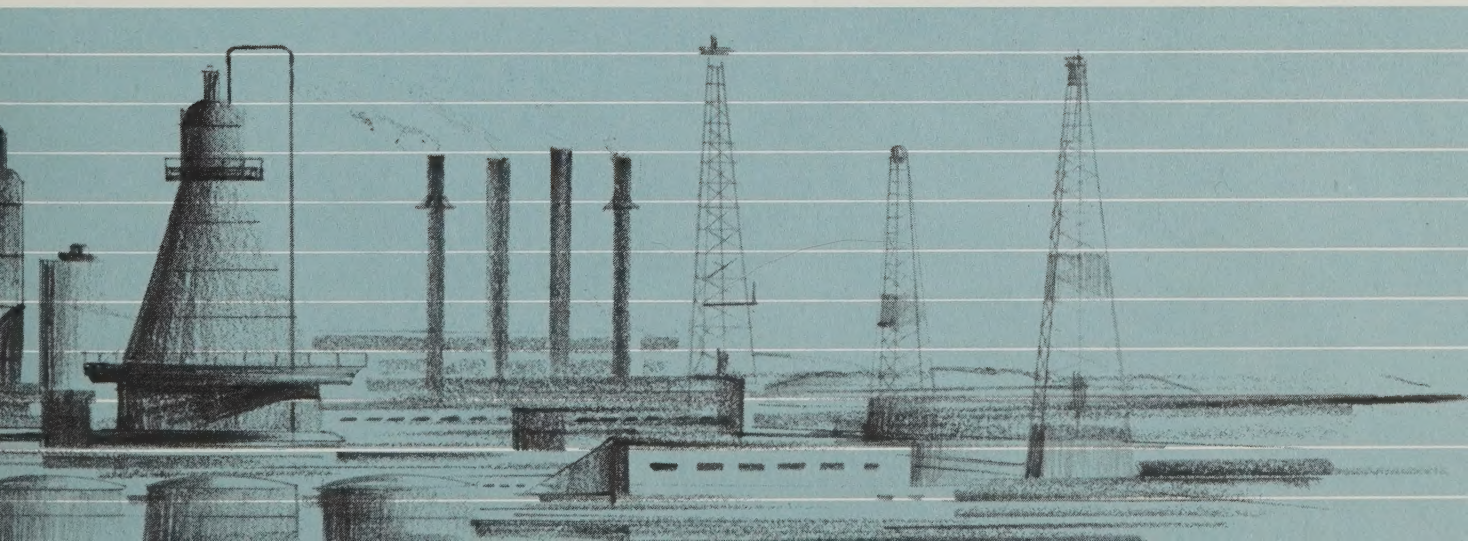


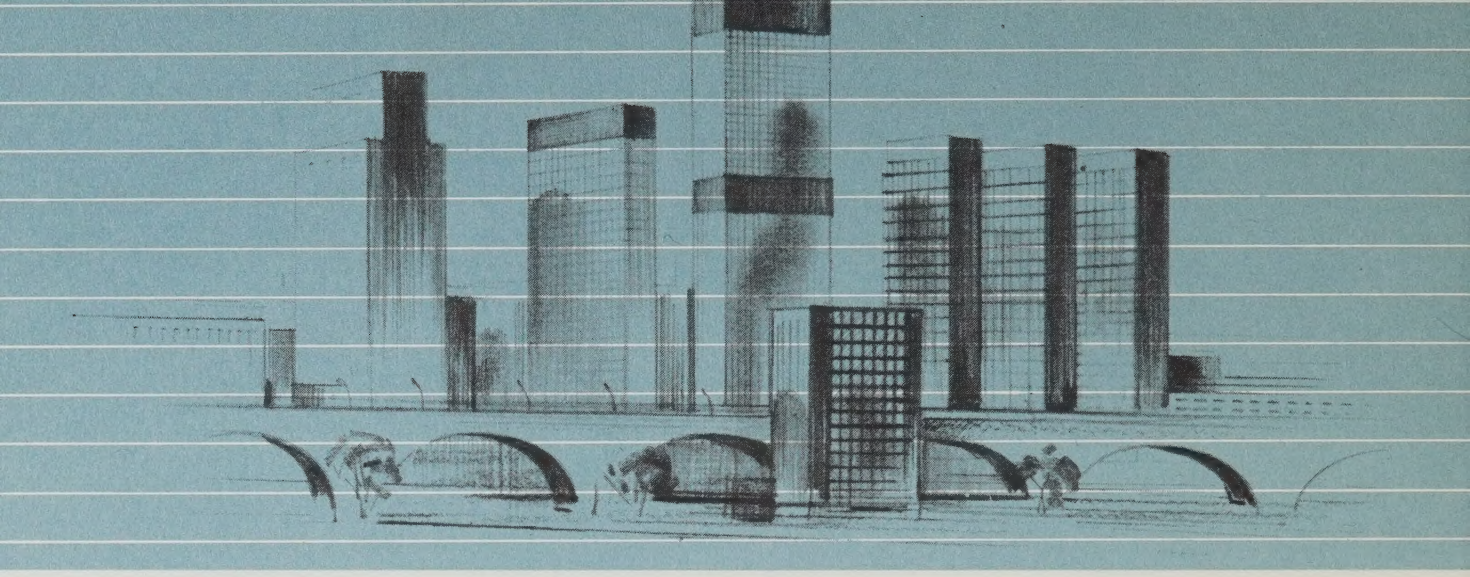


the Company early in 1969 entered into an agreement for exploration of a large permit area in Saskatchewan lying south of the original SAM Project. Agreement has been reached with a major American company, Phillips Petroleum Company, for their participation in the cost of an important exploration programme, known as the "Pinehouse Project". Airborne electromagnetic, magnetic and radiometric surveys have been flown and have indicated a substantial number of anomalies. Ground follow-up work is directed to the establishment of base metal and uranium targets for subsequent drilling.

Virgin River Project

Your company also is participating in Saskatchewan with Goldray Mines, Vespar Mines and Canadian Nisto Mines in another large permit area west of the original SAM Project. This third project has been designated the "Virgin River Project". An airborne electromagnetic survey has been completed over two of the permits and reports and maps are now being prepared. Additional airborne surveys are planned and ground follow-up will be undertaken, dependent upon the survey results.





Cambrian Lake Project

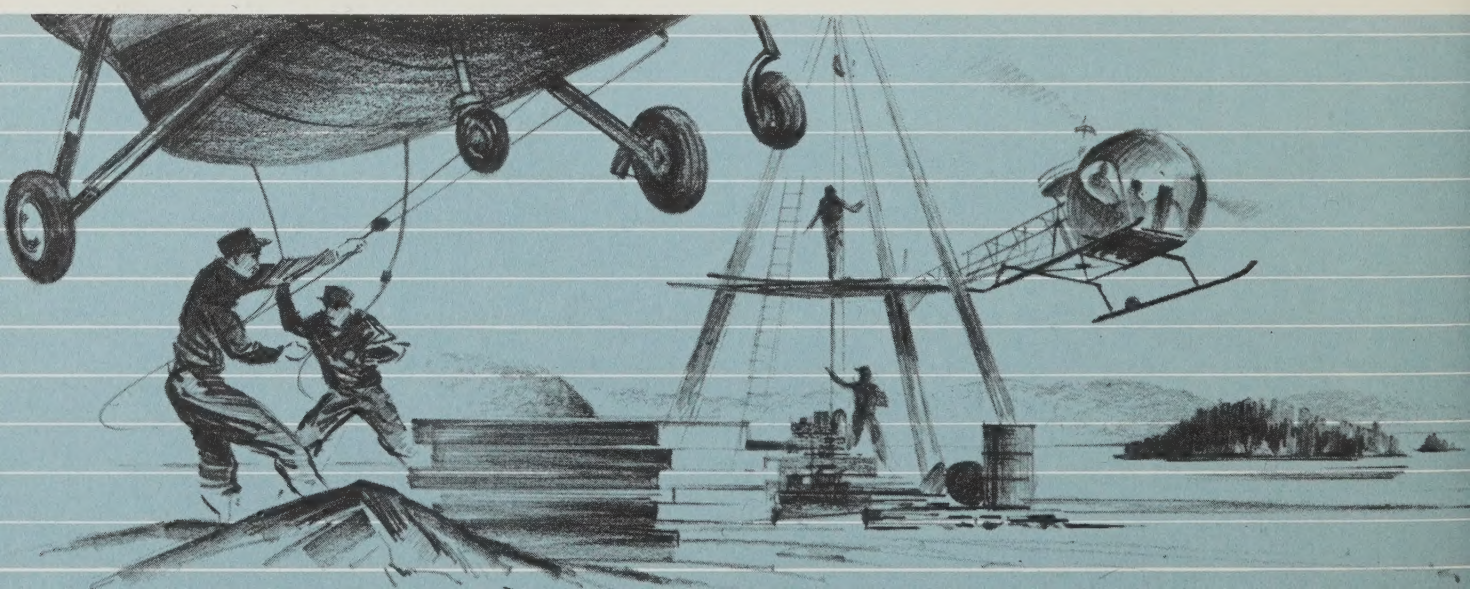
In the Cambrian Lake area of the Ungava region of northern Quebec your Company, together with Denison Mines and Vespar Mines acquired some 1,140 claims by staking. An agreement was signed in April, 1969, with SOMIREN of Italy, whereunder the latter will undertake substantial exploration expenditures and can earn up to a 50% net interest over a three-year programme. The Italian company is a member of the State-owned ENI group (Ente Nazionale Idrocarburi) of Italy, whose international activities include minerals development and production.

Other Projects

Roman Corporation, on its own behalf and in participation with others, also has undertaken a number of basic exploration projects in other parts of Canada including the Northwest Territories and other areas of Northern Quebec. Management continues to study other possible participations for the Company in mineral exploration projects throughout the country.

Outlook

Your directors are confident that important steps have been taken this year



to strengthen the Company's efforts in exploration. We have found strong interest by major international companies to join us in the search for minerals. We welcome their participation and their confidence in our programmes.

The Company continues to hold the largest single holding of shares of Denison Mines. At June 30, 1969, this investment was 1,113,805 shares which represents approximately 25% of the issued shares of Denison. Denison's position as a leading producer of uranium and its diversification into other resource and industrial interests should develop profitable returns and add new growth potential to our investment.

The shareholders may be assured that their officers and directors will continue to pursue an aggressive search for minerals, particularly in Canada, through current exploration projects and new ventures. Although our major endeavours will be in the natural resource field, we will continue to examine and, where desirable, acquire participations in other areas of the business world.

Submitted on behalf of the board of Directors,

STEPHEN B. ROMAN,
Chairman and President.

Toronto, Ontario,
September 12, 1969.

ROMAN CORPORATION LIMITED

(INCORPORATED UNDER THE LAWS OF ONTARIO)

Balance Sheet JUNE 30, 1969

ASSETS

CURRENT ASSETS

Marketable securities, at quoted value

Accounts receivable and prepaid expenses

Shares in other companies held for investment, at cost (quoted market value of listed shares—$50,206,500; 1968—$82,889,574)

Office furnishings, leasehold improvements and automobiles, at cost, less accumulated depreciation of $324,341 (1968—$285,126)

OTHER ASSETS

Mining properties, at cost

Exploration and development expenditures

Deposits with provincial governments

Sundry advances and deposits

Life insurance—cash surrender value

LIABILITIES

CURRENT LIABILITIES

Bank demand loans, secured (note 2)

Accounts payable and accrued expenses

Income taxes payable (note 1)

Bank demand loans, secured (note 2)

SHAREHOLDERS' EQUITY

CAPITAL STOCK

Authorized

5,000,000 shares without par value

Issued and fully paid

2,613,000 shares

Contributed surplus

Retained earnings

Approved on behalf of the Board,

JOHN S. GRANT, Director. BEN REGAN, Director.

	1967	1966
.....	3,681,583	1,905,578
.....	49,731	39,079
	3,731,314	1,944,657
.....	18,602,694	18,290,966
.....	137,147	152,722
.....	32,790	28,077
.....	25,658	—
.....	122,561	72,672
.....	2,308	12,310
.....	84,832	75,187
	268,149	188,246
	$22,739,304	$20,576,591
.....	3,680,322	1,570,752
.....	41,927	28,740
.....	318,215	471,932
	4,040,464	2,071,424
.....	6,789,799	6,807,470
.....	3,806,777	3,806,777
.....	280,598	280,598
.....	7,821,666	7,610,322
	11,909,041	11,697,697
	$22,739,304	$20,576,591

AUDITORS' REPORT

To the Shareholders,
Roman Corporation Limited.

We have examined the balance sheet of Roman Corporation Limited as at June 30, 1969 and the statements of retained earnings, income and source and application of funds for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company as at June 30, 1969 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

EDDIS & ASSOCIATES,
Chartered Accountants.

Toronto, Canada,
July 30, 1969.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 1969

1. The company received to June 30, 1969, Federal tax reassessments for the years 1962 to 1965 and Ontario tax reassessments for the years 1962 to 1966 of the income of certain of the companies which have amalgamated as the company. The resulting liability for income taxes of $394,876 was recorded in the company's accounts, and security was given to the tax authorities. The company is disputing all of these reassessments.

   No provision has been made in the accounts for any tax liability which may become exigible for fiscal years subsequent to the above reassessed years due to transactions which might be considered to be similar to those in respect of which these reassessments were issued.

2. Bank demand loans are secured by marketable securities and by shares in other companies held for investment.

STATEMENT OF RETAINED EARNINGS

FOR THE YEAR ENDED JUNE 30, 1969

Balance, beginning of the year

Net income for the year

Deduct

- Income tax reassessed against predecessor companies
- Mining properties written off

Balance, end of the year

STATEMENT OF INCOME

FOR THE YEAR ENDED JUNE 30, 1969

Revenue

- Dividends
- Profit (loss) from security transactions
- Services and rent

Expenses

- Consulting fees and expenses
- Directors' and senior officers' remuneration, as defined by the Corporations Act
- Donations
- Exploration and development
- Interest
- Office rent and administration
- Depreciation

Income before income taxes

Income taxes

Net income for the year

STATEMENT OF SOURCE AND APPLICATIO

FOR THE YEAR ENDED JUNE 30, 1969

Source of Funds

- Current operations
  - Net income for the year
  - Depreciation

Application of Funds

- Purchase of mining properties
- Exploration and development expenditures
- Purchase of shares for investment
- Additions to fixed assets (net)
- Acquisition of other assets
- Reduction of bank demand loans
- Income tax reassessed against predecessor companies

Increase (decrease) in working capital

Working capital deficiency, beginning of the year

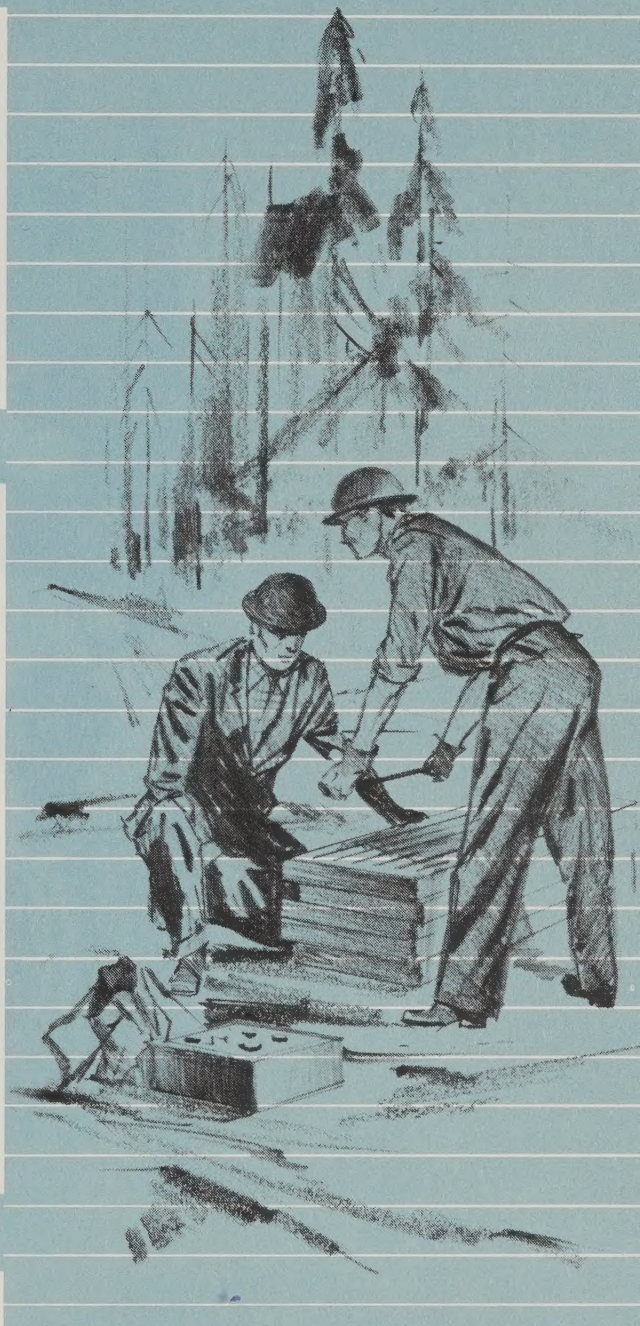
Working capital deficiency, end of the year

	1969	1968
.....	7,610,322	6,622,618
.....	211,344	1,140,359
	7,821,666	7,762,977
.....	—	145,970
.....	—	6,685
	—	152,655
.....	$7,821,666	$7,610,322

.....	1,599,357	1,556,384
.....	(807,599)	272,170
.....	216,000	212,000
	1,007,758	2,040,554
.....	8,580	12,383
.....	40,600	44,100
.....	—	100,000
.....	7,046	6,549
.....	613,878	478,240
.....	158,453	138,068
.....	44,965	43,747
	873,522	823,087
.....	134,236	1,217,467
.....	(77,108)	77,108
.....	$ 211,344	$1,140,359

OF FUNDS

.....	211,344	1,140,359
.....	44,965	43,747
	256,309	1,184,106
.....	4,713	21,042
.....	25,658	—
.....	311,728	433,915
.....	29,390	53,798
.....	49,532	93,246
.....	17,671	292,530
.....	—	145,970
	438,692	1,040,501
.....	(182,383)	143,605
.....	126,767	270,372
.....	$ 309,150	$ 126,767



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